GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:970
ANSWERED ON:04.12.2015
Repayment of Loans
Reddy Shri J.C. Divakar

Will the Minister of FINANCE be pleased to state:

a) the details of loans to be repaid by the Government of Andhra Pradesh (AP) to Centre, World Bank, Asian Development Bank, NABARD and other financial institutions and Banks during the last three years and the current year, particularly after the implementation of the Andhra Pradesh State Reorganisation Act, institution-wise; and
b) the projects/works taken up by the Government of AP with such loan, institution-wise?

Answer

MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a) & (b): Central Government determines and regulates the Net Borrowing Ceiling for each State within their respective FD targets as per formula prescribed by the Finance Commissions. The repayments of principal on outstanding loans of States are taken care of by allowing the replacement borrowings against repayment of loans within the gross borrowing ceiling of the States.

2. The Net Borrowing Ceilings prescribed covers all elements of the Borrowing States, including Open Market Borrowings (State Development Loans), Negotiated Loans, National Small Saving Fund loans(NSSF), loans for EAP, other liabilities arising out of the Public Accounts Transferring net Small Savings, Provident Funds, and Reserve Funds deposited, etc.

3. After the recommendations of Twelfth Finance Commission (TFC), recommending that disintermediation be stopped by GoI, the Market loans and the loans from CFIs are raised by the State Governments by themselves. NSSF belong to individual depositor, and any loans raised from the Fund are governed by the Rules of the Fund. The other liabilities arising out of the public account transfer enumerate from the States itself. TFC further recommended that external assistance may be transferred to State on the same terms & conditions as attached to such assistance by external funding agencies, thereby making Govt. of India a financial intermediary without any gain or loss. The external assistance pass through to States should be managed through a separate fund in a public account. Accordingly, loans to States are being passed on back to back basis and on the same terms and conditions of the donor agencies. The institution-wise details and the projects/ works taken up is therefore maintained by the respective State Government.

4. The details of the repayment of the following loans, as available with this Ministry during the last three years and the current year, particularly after the implementation of the Andhra Pradesh State Reorganization Act, 2014 are as under:

Particulars	2012-13	2013-14	2014-15	2015-16 (upto November, 2015)
	Upto 1st June 2014	2nd June 2014 to 31st March 2015		
State Development Loans (source -RBI)	3401.21	2725.92	2145.62	1435.84
NABARD (source - NABARD)	526.44	533.91	55.39	516.31 356.44
Central Loans including EAP loans	2065.16	2086.05	0.00	2029.76 1240.09

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